1964

FIFTIETH ANNUAL REPORT

THE MONONGAHELA RAILWAY COMPANY

FOR THE YEAR ENDED DECEMBER 31, 1964

OFFICE OF THE SECRETARY
6 PENN CENTER PLAZA
PHILADELPHIA, PA.

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THE MONONGAHELA RAILWAY COMPANY

DIRECTORS

DAVID C. BEVAN	PHILADELPHIA, PA.
G. M. SMITH	PITTSBURGH, PA.
HEWITT BIAETT	BALTIMORE, MD.
JOHN F. NASH	NEW YORK, N.Y.
M. C. MULLIGAN	BALTIMORE, MD.
CURTIS D. BUFORD	PITTSBURGH, PA.

FEB 14 1966 Co

OFFICERS

PRESIDENT	HEWITT BIAETT	BALTIMORE, MD.
VICE-PRESIDENT	CURTIS D. BUFORD	PITTSBURGH, PA.
VICE-PRESIDENT	G. M. SMITH	PITTSBURGH, PA.
SECRETARY	BAYARD H. ROBERTS	PHILADELPHIA, PA.
TREASURER	W. R. GERSTNECKER	PHILADELPHIA, PA.
COMPTROLLER	W. S. COOK	PHILADELPHIA, PA.
GENERAL COUNSEL	JOHN B. PRIZER	PHILADELPHIA, PA.
REAL ESTATE AGENT	S. K. HARBISON	PITTSBURGH, PA.
MANAGER, FREIGHT CLAIMS	W. D. HAMILTON	PHILADELPHIA, PA.
CHIEF ENGINEER	J. J. EASH	PITTSBURGH, PA.
SUPERINTENDENT	C. H. SIEBART	BROWNSVILLE, PA.
CHIEF MECHANICAL OFFICER	W. F. KASCAL	PITTSBURGH, PA.
SUPERINTENDENT OF FREIGHT TRANSPORTATION	W. C. WESTCOAT	BROWNSVILLE, PA.
DIRECTOR OF PERSONNEL	W. J. PETRIE	PITTSBURGH, PA.
MANAGER, PURCHASES & STORES	C. E. LE SEUR	McKEES ROCKS, PA.

1964

THE MONONGAHELA RAILWAY COMPANY

FIFTIETH ANNUAL REPORT

PITTSBURGH, PA., MARCH 16, 1965

TO THE STOCKHOLDERS:

THE BOARD OF DIRECTORS SUBMITS HEREWITH THE FIFTIETH ANNUAL REPORT OF THE COMPANY, SHOWING RESULTS OF OPERATION AND VARIOUS STATISTICAL DATA FOR THE YEAR 1964, TOGETHER WITH COMPARATIVE INCOME STATEMENT FOR THE YEAR AND BALANCE SHEET AS OF DECEMBER 31, 1964, COMPARED WITH DECEMBER 31, 1963.

BY ORDER OF THE BOARD OF DIRECTORS.

HEWITT BIAETT
PRESIDENT

MILEAGE OF TRACKS OWNED AND OPERATED

	DECEMBER 31, 1964				
	MAIN		INDUS-	YARD &	
	1ST	2ND	TRIAL	SIDINGS	TOTAL
MONONGAHELA RAILWAY COMPANY:					
OWNED LINE OPERATED	125.69	10.05	3.22	63.23	202.19
LINE OPERATED UNDER CONTRACT	30.38	.....	2.47	7.06	39.91
LINE USED UNDER TRACKAGE RIGHTS	12.38	.....	....	.94	13.32
TOTAL, DECEMBER 31, 1964	168.45	10.05	5.69	71.23	255.42
TOTAL, DECEMBER 31, 1963	171.03	12.41	5.84	71.83	261.11
INCREASE OR DECREASE	D 2.58	D 2.36	D 0.15	D 0.60	D 5.69

INCOME STATEMENT

		Year 1964	Comparison with Year 1963 Increase or Decrease	
Railway Operating Revenues	(Freight	$4,739,189	I	$738,185
	(Switching	1,390	I	31
	(Demurrage	4,524	I	1,560
	(Rents of buildings and other property	24,323	D	833
	(All other	3,914	D	6,630
	Total	4,773,340	I	732,313
Railway Operating Expenses	(Maintenance of way and structures	829,462	I	4,854
	(Maintenance of equipment	588,384	I	85,770
	(Traffic	11,370	D	321
	(Transportation	1,586,814	I	294,514
	(General	126,233	D	42,498
	Total	3,142,263	I	342,319
Net revenue from railway operations		1,631,077	I	389,994
Tax Accruals	(Federal income taxes	Cr. 18,444	D	18,444
	(Other railway taxes	83,441	D	15,086
	(Unemployment insurance taxes	56,726	D	513
	(Railroad retirement taxes	112,475	I	7,315
	Total	234,198	D	26,728
Railway operating income		1,396,879	I	416,722
Hire of equipment - Debit balance		1,161,745	I	595,790
Joint facility rents - Debit balance		67,321	D	2,203
		1,229,066	I	593,587
Net railway operating income		167,813	D	176,865
Non-Operating Income	(Miscellaneous rent income	17,437	I	426
	(Interest income	7,150	I	5,880
	(Profit from sale of property	7,309	I	7,309
	(Miscellaneous	5,390	I	1,448
	Total	37,286	I	15,063
Total income		205,099	D	161,802
Fixed Charges and Other Deductions	(Rent for leased roads and equipment	171,256	D	739
	(Interest on funded debt	254,167	D	3,394
	(Miscellaneous	2,747	D	18,425
	Total	428,170	D	22,558
Net income		Deficit 223,071	I	139,244

STATEMENT OF RETAINED INCOME

Balance, January 1, 1964	$9,793,579
Deduct: Deficit for the year	223,071
Balance, December 31, 1964	9,570,508

BALANCE SHEET

ASSETS

	December 31, 1964		Comparison with December 31, 1963 Increase or Decrease	
CURRENT ASSETS:				
Cash	$235,814		D	$95,728
Temporary cash investments	496,425		I	496,425
Accounts receivable	124,277		D	55,472
Materials and supplies	150,210		I	10,734
Miscellaneous	12,716		D	6,797
Total Current Assets		$1,019,442	I	349,162
SPECIAL FUNDS:				
Sinking fund	140			
Insurance and other funds	3,000		D	220
Total Special Funds		3,140	D	220
PROPERTIES:				
Transportation property	26,473,333		D	563,376
Less: Accrued depreciation and amortization	3,427,112		D	128,630
Net Transportation Property	23,046,221		D	434,746
Miscellaneous physical property	424,514		D	4,885
Net Properties		23,470,735	D	439,631
OTHER ASSETS AND DEFERRED CHARGES		38,842	I	5,262
TOTAL ASSETS		24,532,159	D	85,427

BALANCE SHEET

LIABILITIES AND SHAREHOLDERS' EQUITY

	December 31, 1964		Comparison with December 31, 1963 Increase or Decrease	
CURRENT LIABILITIES:				
Accounts payable	$443,545		I	$145,770
Interest payable	105,292		D	722
Taxes accrued	72,616		D	13,920
Other current liabilities	10,140		I	4,879
Total Current Liabilities		$631,593	I	136,007
LONG-TERM DEBT DUE WITHIN ONE YEAR:				
Equipment - Conditional Sale Agreements		39,956	D	32,118
LONG-TERM DEBT DUE AFTER ONE YEAR:				
First Mortgage, 3¼% Bonds Series "B" due Feb. 1, 1966	7,677,000			
Equipment - Conditional Sale Agreements	79,912		D	39,956
Total Long-Term Debt Due After One Year		7,756,912	D	39,956
OTHER LIABILITIES AND DEFERRED CREDITS:				
Other liabilities	35,855		I	27,906
Unamortized premium on long-term debt	1,473		D	1,360
Deferred credits	48,726		I	35,649
Accrued depreciation - leased property	202,136		I	11,516
Total other liabilities and deferred credits		288,190	I	73,711
SHAREHOLDERS' EQUITY:				
Capital stock (124,900 shares, par value $50. per share)	6,245,000			
Retained income	9,570,508		D	223,071
Total Shareholders' Equity		15,815,508	D	223,071
Total Liabilities and Shareholders' Equity		24,532,159	D	85,427

OPERATING EXPENSES

	YEAR 1964	YEAR 1963	INCREASE OR DECREASE	
MAINTENANCE OF WAY AND STRUCTURES				
SUPERINTENDENCE	$90,760	$93,803	D	$3,043
ROADWAY MAINTENANCE	50,650	48,225	I	2,425
TUNNELS AND SUBWAYS	.....	4	D	4
BRIDGES, TRESTLES AND CULVERTS	11,990	20,867	D	8,877
TIES	5,166	20,427	D	15,261
RAILS	15,312	9,174	I	6,138
OTHER TRACK MATERIAL	24,350	30,785	D	6,435
BALLAST	23,125	45,759	D	22,634
TRACK LAYING AND SURFACING	196,225	188,318	I	7,907
FENCES, SNOWSHEDS AND SIGNS	1,071	1,556	D	485
STATION AND OFFICE BUILDINGS	17,595	19,313	D	1,718
ROADWAY BUILDINGS	2,728	5,226	D	2,498
WATER STATIONS	.....	12	D	12
FUEL STATIONS	2,182	1,177	I	1,005
SHOPS AND ENGINEHOUSES	5,839	6,856	D	1,017
COMMUNICATION SYSTEMS	21,418	18,164	I	3,254
SIGNALS AND INTERLOCKERS	30,528	30,174	I	354
POWER PLANTS	204	22	I	182
POWER-TRANSMISSION SYSTEMS	5,695	3,944	I	1,751
MISCELLANEOUS STRUCTURES	.....	2	D	2
ROADWAY MACHINES	10,106	9,896	I	210
SMALL TOOLS AND SUPPLIES	13,075	15,303	D	2,228
REMOVING SNOW, ICE AND SAND	7,151	9,092	D	1,941
PUBLIC IMPROVEMENTS - MAINTENANCE	13,040	5,528	I	7,512
INJURIES TO PERSONS	3,591	3,360	I	231
INSURANCE	4,573	3,421	I	1,152
STATIONERY AND PRINTING	295	247	I	48
EMPLOYEES HEALTH AND WELFARE BENEFITS	18,190	23,690	D	5,500
MAINTAINING JOINT TRACKS, YARDS, ETC. - DEBIT	10,830	19,449	D	8,619
MAINTAINING JOINT TRACKS, YARDS, ETC. - CREDIT	1,544	642	I	902
TOTAL, EXCLUDING DEPRECIATION AND RETIREMENTS	584,145	633,152	D	49,007
DEPRECIATION AND RETIREMENTS:				
ROAD PROPERTY - DEPRECIATION	130,662	131,293	D	631
RETIREMENTS - ROAD	101,144	46,898	I	54,246
DISMANTLING RETIRED ROAD PROPERTY	13,511	13,265	I	246
TOTAL	245,317	191,456	I	53,861
TOTAL	829,462	824,608	I	4,854

OPERATING EXPENSES
(CONTINUED)

	YEAR 1964	YEAR 1963	INCREASE OR DECREASE	
TRAFFIC				
SUPERINTENDENCE	$7,600	$7,556	I	$44
ADVERTISING	21	22	D	1
TRAFFIC ASSOCIATIONS	128	295	D	167
INSURANCE	2	5	D	3
STATIONERY AND PRINTING	3,619	3,813	D	194
TOTAL	11,370	11,691	D	321
TRANSPORTATION				
SUPERINTENDENCE	141,921	145,036	D	3,115
DISPATCHING TRAINS	78,380	74,131	I	4,249
STATION EMPLOYEES	32,600	40,657	D	8,057
WEIGHING, INSPECTION AND DEMURRAGE BUREAUS	960	1,600	D	640
STATION SUPPLIES AND EXPENSES	13,423	14,256	D	833
YARDMASTERS AND YARD CLERKS	77,824	77,382	I	442
YARD CONDUCTORS AND BRAKEMEN	191,555	238,629	D	47,074
YARD SWITCH AND SIGNAL TENDERS	7,384	12,153	D	4,769
YARD ENGINEMEN	120,973	141,972	D	20,999
YARD SWITCHING FUEL	25,323	24,359	I	964
LUBRICANTS FOR YARD LOCOMOTIVES	2,363	2,069	I	294
OTHER SUPPLIES FOR YARD LOCOMOTIVES	1,346	1,410	D	64
ENGINEHOUSE EXPENSES - YARD	11,827	11,562	I	265
YARD SUPPLIES AND EXPENSES	7,338	7,188	I	150
TRAIN ENGINEMEN	141,525	75,216	I	66,309
TRAIN FUEL	89,791	80,504	I	9,287
LUBRICANTS FOR TRAIN LOCOMOTIVES	8,595	6,965	I	1,630
OTHER SUPPLIES FOR TRAIN LOCOMOTIVES	5,163	4,521	I	642
ENGINEHOUSE EXPENSES - TRAIN	42,372	38,566	I	3,806
TRAINMEN	226,737	123,404	I	103,333
TRAIN SUPPLIES AND EXPENSES	88,841	66,727	I	22,114
SIGNAL AND INTERLOCKER OPERATION	4,670	6,246	D	1,576
CROSSING PROTECTION	12	12		
COMMUNICATION SYSTEM OPERATION	334	723	D	389
EMPLOYEES HEALTH AND WELFARE BENEFITS	59,205	15,556	I	43,649
STATIONERY AND PRINTING	6,128	5,528	I	600
OTHER EXPENSES	125	129	D	4
INSURANCE	839	837	I	2
CLEARING WRECKS	21,333	7,913	I	13,420
DAMAGE TO PROPERTY	7,923	2,096	I	5,827
LOSS AND DAMAGE - FREIGHT	14,281	458	I	13,823
INJURIES TO PERSONS	65,605	38,935	I	26,670
OPERATING JOINT YARDS AND TERMINALS - DEBIT	322	598	D	276
OPERATING JOINT YARDS AND TERMINALS - CREDIT	9,020	9,228	D	208
OPERATING JOINT TRACKS AND FACILITIES - DEBIT	99,546	34,209	I	65,337
OPERATING JOINT TRACKS AND FACILITIES - CREDIT	730	19	I	711
TOTAL	1,586,814	1,292,300	I	294,514

OPERATING EXPENSES
(CONCLUDED)

	YEAR 1964	YEAR 1963	INCREASE OR DECREASE
MAINTENANCE OF EQUIPMENT			
SUPERINTENDENCE	$43,165	$42,201	I $964
SHOP MACHINERY	1,744	1,220	I 524
POWER-PLANT MACHINERY	182	272	D 90
OTHER LOCOMOTIVES - REPAIRS	218,871	193,073	I 25,798
FREIGHT TRAIN CARS - REPAIRS	152,284	99,524	I 52,760
WORK EQUIPMENT - REPAIRS	4,077	5,888	D 1,811
MISCELLANEOUS EQUIPMENT - REPAIRS	4,300	4,237	I 63
INJURIES TO PERSONS	822	146	I 676
INSURANCE	4,357	4,305	I 52
STATIONERY AND PRINTING	527	543	D 16
EMPLOYEES HEALTH AND WELFARE BENEFITS	10,853	14,478	D 3,625
JOINT MAINTENANCE OF EQUIPMENT EXPENSES - DEBIT	21,052	5,466	I 15,586
JOINT MAINTENANCE OF EQUIPMENT EXPENSES - CREDIT	50	10	I 40
TOTAL EXCLUDING DEPRECIATION AND RETIREMENTS	462,184	371,343	I 90,841
DEPRECIATION AND RETIREMENTS:			
SHOP AND POWER-PLANT MACHINERY - DEPRECIATION	5,003	5,112	D 109
DISMANTLING RETIRED EQUIPMENT	.....	CR. 77	DCR. 77
EQUIPMENT - DEPRECIATION	121,197	126,236	D 5,039
TOTAL	126,200	131,271	D 5,071
TOTAL	588,384	502,614	I 85,770
GENERAL			
SALARIES AND EXPENSES OF GENERAL OFFICERS	192	192	
SALARIES AND EXPENSES OF CLERKS AND ATTENDANTS	71,355	78,047	D 6,692
GENERAL OFFICE SUPPLIES AND EXPENSES	776	1,838	D 1,062
LAW EXPENSES	2,831	12,223	D 9,392
PENSIONS	44,283	65,525	D 21,242
STATIONERY AND PRINTING	247	678	D 431
OTHER EXPENSES	6,316	10,228	D 3,912
GENERAL JOINT FACILITIES - DEBIT	233	.....	I 233
TOTAL	126,233	168,731	D 42,498
RECAPITULATION			
MAINTENANCE OF WAY AND STRUCTURES	829,462	824,608	I 4,854
MAINTENANCE OF EQUIPMENT	588,384	502,614	I 85,770
TRAFFIC	11,370	11,691	D 321
TRANSPORTATION	1,586,814	1,292,300	I 294,514
GENERAL	126,233	168,731	D 42,498
TOTAL	3,142,263	2,799,944	I 342,319
OPERATING RATIO			
PERCENTAGE OF TOTAL OPERATING EXPENSES TO TOTAL OPERATING REVENUES:			
MAINTENANCE OF WAY AND STRUCTURES	17.38	20.41	D 3.03
MAINTENANCE OF EQUIPMENT	12.33	12.44	D 0.11
TRAFFIC	0.24	0.29	D 0.05
TRANSPORTATION	33.24	31.98	I 1.26
GENERAL	2.64	4.17	D 1.53
TOTAL OPERATING EXPENSES	65.83	69.29	D 3.46

REVENUE FREIGHT TRAFFIC BY MAJOR COMMODITY CLASSIFICATIONS

COMMODITY	YEAR 1964			
	TONS	PER CENT. OF TOTAL	GROSS REVENUE	PER CENT. OF TOTAL
FARM PRODUCTS	2,997	0.04	$2,978	0.06
MINERAL PRODUCTS:				
IRON ORES	3,058	0.04	1,867	0.04
BITUMINOUS COAL	6,923,969	95.47	4,489,674	94.23
AGRICULTURAL LIMESTONE	6,633	0.09	6,810	0.14
CRUSHED AND BROKEN STONE	2,039	0.03	1,958	0.04
SAND AND GRAVEL	7,897	0.11	8,029	0.17
ALL OTHER	322	0.01	348	0.01
TOTAL	6,943,918	95.75	4,508,686	94.63
MANUFACTURES AND MISCELLANEOUS:				
MEAT PRODUCTS	559	0.01	548	0.01
GRAIN PRODUCTS AND FEED	15,385	0.21	16,380	0.34
OTHER FOOD AND KINDRED PRODUCTS	19,083	0.26	20,281	0.43
LUMBER AND WOOD PRODUCTS	3,408	0.05	3,711	0.08
PULP, PAPER AND PRINTED MATTER	3,390	0.05	3,825	0.08
CHEMICALS, RUBBER AND PLASTICS	3,777	0.05	3,853	0.08
REFINED PETROLEUM PRODUCTS	4,141	0.06	4,093	0.09
STONE, CLAY AND GLASS PRODUCTS	12,757	0.17	13,929	0.29
COKE	197,976	2.73	138,108	2.90
IRON AND STEEL INCLUDING SCRAP	9,882	0.14	9,010	0.19
MACHINERY AND APPLIANCES	1,067	0.01	2,057	0.04
OTHER METALS, METAL EQUIPMENT AND SCRAP	33,496	0.46	35,621	0.75
ALL OTHER	502	0.01	1,664	0.03
TOTAL	305,423	4.21	253,080	5.31
GRAND TOTAL, CARLOAD FREIGHT	7,252,338	100.00	4,764,744	100.0
ALL LESS CARLOAD FREIGHT	-	-	-	-
GRAND TOTAL, CARLOAD LESS CARLOAD FREIGHT	7,252,338	100.00	4,764,744	100.00

FREIGHT TRAFFIC STATISTICS

	YEAR 1964	YEAR 1963	INCREASE OR DECREASE	
AVERAGE MILES OF ROAD OPERATED (FREIGHT SERVICE)	168.45	171.93	D	3.48
FREIGHT REVENUE	$4,739,189	$4,001,004	I	$738,185
PER CENT. OF TOTAL OPERATING REVENUES	99.3	99.0	I	0.3
TONS CARRIED (REVENUE FREIGHT)	7,252,338	6,124,730	I	1,127,608
TONS CARRIED ONE MILE (REVENUE FREIGHT)	375,154,706	296,857,461	I	78,297,245
FREIGHT TRAIN MILES	145,831	133,473	I	12,358
LOADED CAR MILES	5,510,885	4,580,843	I	930,042
EMPTY CAR MILES	5,689,240	4,752,111	I	937,129
TOTAL CAR MILES (INCLUDING CABOOSE)	11,345,959	9,466,432	I	1,879,527
AVERAGES - PER MILE OF ROAD				
FREIGHT REVENUE	$28,134	$23,271	I	$4,863
TONS CARRIED (REVENUE FRIEIGHT)	43,053	35,623	/	7,430
TONS CARRIED ONE MILE (REVENUE FREIGHT)	2,227,098	1,726,618	I	500,480
FREIGHT TRAIN MILES	866	776	I	90
AVERAGES - PER TRAIN MILE				
FREIGHT TRAIN REVENUE	$32.51	$29.99	I	$2.52
REVENUE TON MILES	2,573	2,224	I	349
LOADED CAR MILES	37.8	34.3	I	3.5
EMPTY CAR MILES	39.0	35.6	I	3.4
TOTAL CAR MILES (INCLUDING CABOOSE)	77.8	70.9	I	6.9
MISCELLANEOUS AVERAGES				
REVENUE PER TON (CENTS)	65.3	65.3		
REVENUE PER TON MILE (CENTS)	1.263	1.348	D	0.085
REVENUE TON MILES PER LOADED CAR MILE	68.1	64.8	I	3.3
AVERAGE MILES EACH REVENUE TON WAS CARRIED	51.7	48.5	I	3.2

LOCOMOTIVE MILES - FREIGHT

PRINCIPAL	145,831	133,473	I	12,358
LIGHT	2,044	3,332	D	1,288
TRAIN SWITCHING	8,496	8,510	D	14
YARD SWITCHING	95,118	88,716	I	6,402
TOTAL	251,489	234,031	I	17,458

WORK SERVICE

TRAIN MILES	3,921	4,815	D	894
LOCOMOTIVE MILES	3,921	4,815	D	894
CAR MILES	30,560	25,662	I	4,898

EQUIPMENT OWNED

	AVAILABLE FOR SERVICE		CAPACITY OF EQUIPMENT AVAILABLE FOR SERVICE		BOOK VALUE	
	DECEMBER 31, 1964	COMPARISON WITH 1963 DECREASE	DECEMBER 31, 1964	COMPARISON WITH 1963 DECREASE	DECEMBER 31, 1964	COMPARISON WITH 1963 INCREASE OR DECREASE
			TRACTIVE POWER - POUNDS			
LOCOMOTIVES						
SHIFTING - DIESEL-ELECTRIC	22	5	1,361,000	310,000	$2,536,039	D $428,920
FREIGHT-TRAIN CARS						
CABIN	18	....	.....	.....	92,671	D 1,822
WORK EQUIPMENT						
FLAT	4					
GONDOLA	4					
DUMP	4					
TOOL	1					
DERRICK	1					
SPREADER	1					
OTHER	3					
TOTAL	18	....	.....	.....	100,742	.....
MISCELLANEOUS EQUIPMENT					79,896	.....
TOTAL EQUIPMENT					2,809,348	D 430,742